

MTC1396-11344

2014-003734

Klamath County, Oregon

04/21/2014 02:37:01 PM

Fee: \$97.00

WHEN RECORDED PLEASE RETURN TO:

Andrew Harris and Mary Harris, Co-Trustees
of the Harris Family Trust
11330 Maverick Lane
Reno, NV 89511

AMERITITLE, has recorded this
Instrument by request as an accommodation only,
and has not examined it for regularity and sufficiency
or as to its effect upon the title to any real property
that may be described therein.

**DEED OF TRUST,
SECURITY AGREEMENT,
FINANCING STATEMENT, FIXTURE FILING AND
ASSIGNMENT OF RENTS AND LEASES**

THIS DOCUMENT CONSTITUTES A FIXTURE FILING IN ACCORDANCE WITH ORS
79.0502(3).

THIS DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT,
FIXTURE FINANCING STATEMENT AND ASSIGNMENT OF RENTS AND LEASES (this
"Trust Deed") is made on this ___ day of April, 2014, by LOST RIVER LAND & CATTLE
COMPANY, LLC, a Nevada limited liability company, whose address is 200 South Virginia
Street, Suite 560, Reno NV 89510 ("Grantor"), to CHICAGO TITLE INSURANCE
COMPANY, having its office at 1211 SW Fifth Avenue, Suite 2130, Portland, OR 97204
("Trustee"), for the benefit of ANDREW HARRIS AND MARY HARRIS, CO-TRUSTEES OF
THE HARRIS FAMILY TRUST U/A/D JULY 13, 2000, whose address is 11330 Maverick
Lane, Reno, NV 89511 ("Beneficiary").

WHEREAS, Beneficiary has made a loan to Grantor's affiliate, Klamath Basin
Geopower Inc., a Nevada corporation ("Grantor's Affiliate"), in the sum of Six Hundred
Thousand Dollars (\$600,000) which loan is to be evidenced by a Promissory Note of even date
herewith. The loan, if not sooner paid, is due and payable in full on or before October 15, 2014.
The Promissory Note, as it may be modified, extended, or replaced from time to time, is referred
to herein as the "Note"); and

WHEREAS, as a condition to making the loan to Grantor's Affiliate, Beneficiary has
required, and Grantor has agreed to provide, this Trust Deed.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby
acknowledged, and for the purpose of securing the Obligations described in Section 1.1 below,
Grantor hereby irrevocably grants, bargains, sells, conveys, assigns, and transfers to Trustee in
trust for the benefit and security of Beneficiary, with power of sale, all Grantor's right, title, and
interest in and to the real property located in Klamath County, Oregon, and more particularly
described in Exhibit A attached hereto and by this reference incorporated herein (the
"Premises"), together with all Grantor's right, title, and interest in and to the following described
property (collectively, the "Trust Property"):

\$ 82.00

All buildings, structures, improvements, fixtures and annexations, access rights, easements, rights of way or use, servitudes, licenses, tenements, hereditaments and appurtenances now or hereafter belonging or pertaining to the Premises and all proceeds and products derived therefrom whether now owned or hereafter acquired; and all equipment (including Grantor's interest in any lease of such equipment), fixtures, improvements, building supplies and materials owned by Debtor now or hereafter attached to, located in, placed in or necessary to the use, operation or maintenance of the improvements on the land including, but without being limited to, all machinery, fittings, fixtures, apparatus, equipment or articles used to supply heating, gas, electricity, water, light, waste disposal, power, well and irrigation facilities and equipment, and all furnishings, supplies, maintenance and repair equipment, window and structural and equipment, floor coverings, appliances, screens, storm windows, awnings, shrubbery and plants, stoves, ranges, ovens, disposals and compactors (it being understood that the enumeration of specific articles of property shall in no way be held to exclude items of property not specifically enumerated), as well as renewals, replacements, proceeds, additions, accessories, increases, parts, fittings, insurance payments, awards and substitutes thereof, all of which personal property mentioned herein shall be deemed fixtures and accessory to the freehold and a part of the realty and not severable in whole or in part without material injury to the Premises, but excluding therefrom the removable personal property owned by tenants in the Premises.

All right, title and interest of Grantor in and to any licenses, permits, regulatory approvals, government authorizations, franchise agreements and equipment or chattel leases, service contracts or agreements, and all proceeds therefrom, arising from, issued in connection with or in any way related to the use, occupancy, operation, maintenance or security of the Premises, together with all replacements, additions, substitutions and renewals thereof, which may be assigned pursuant to agreement or law.

TO HAVE AND TO HOLD the Trust Property to Trustee and its successors and assigns for the benefit of Beneficiary and its successors and assigns until all the Obligations are paid, performed, and satisfied in full, at which time the lien and estate hereby granted will be reconveyed.

This Trust Deed, the Note and all other agreements executed at any time in connection with them, as they may be amended or supplemented from time to time, are sometimes collectively referred to as the "Loan Documents."

TO PROTECT THE SECURITY OF THIS TRUST DEED, GRANTOR COVENANTS AND AGREES AS FOLLOWS:

ARTICLE I PARTICULAR COVENANTS AND WARRANTIES OF GRANTOR

1.1 Obligations Secured. This Trust Deed secures the payment of all indebtedness, including but not limited to principal and interest, and the performance of all covenants and obligations of Grantor, under the Note, this Trust Deed, and the other Loan Documents, whether payment and performance is now due or becomes due in the future (collectively, the

“Obligations”).

1.2 Payment and Performance. Grantor will pay and perform all the Obligations when due.

1.3 Property. Grantor warrants that it holds good and marketable title to the Trust Property, free and clear of all liens, encumbrances, reservations, restrictions, easements, and adverse claims except those matters of record.

1.4 Further Assurances. Grantor will execute, acknowledge, and deliver, from time to time, any further instruments that Beneficiary or Trustee may require to accomplish the purposes of this Trust Deed.

1.5 Compliance with Laws. Grantor represents, warrants, and covenants that the Trust Property is currently in material compliance with, and will at all times be maintained in material compliance with, all applicable laws and all covenants, conditions, easements, and restrictions affecting the Trust Property.

1.6 Environmental Compliance

(1) For purposes of this section, *Environmental Law* means any federal, state, or local law or regulation now or hereafter at any time pertaining to Hazardous Substances or environmental conditions. For purposes of this section, *Hazardous Substance* includes, without limitation, any substance that is or becomes classified as hazardous, dangerous, or toxic under any federal, state, or local law or regulation.

(2) Grantor will not use, generate, store, release, discharge, or dispose of on, under, or about the Trust Property or the groundwater thereof any Hazardous Substance and will not permit any other person to do so, except for storage and use of Hazardous Substances (and in such quantities) as may commonly be used for household purposes, as long as those substances are stored and used in compliance with all Environmental Laws. Grantor will keep and maintain the Trust Property in compliance with all Environmental Laws.

1.7 Maintenance. Grantor will maintain the Trust Property. Grantor will not commit or suffer any waste or strip of the Trust Property.

1.8 Liens. Grantor will pay when due all claims for labor and materials that, if unpaid, might become a lien on the Trust Property. Grantor will not create or suffer any lien, security interest, or encumbrance on the Trust Property that may be prior to, or on a parity with, the lien of this Trust Deed.

1.9 Impositions. Grantor will pay when due all taxes, assessments, fees, and other governmental and nongovernmental charges of every nature now or hereafter assessed against any part of the Trust Property or on the lien or estate of Beneficiary or Trustee therein (collectively, the “Impositions”); however, if by law any such Imposition may be paid in installments, Grantor may pay the same in installments, together with accrued interest on the unpaid balance thereof, as they become due..

1.10 Use. Grantor acknowledges and warrants that the proceeds of the loan evidenced by the Note are intended to be and shall be, used exclusively for commercial and business purposes, and not for personal, family or household purposes.

1.11 Insurance

(1) *Property and Other Insurance.* Grantor will obtain and maintain during the term of this Trust Deed property insurance as is customary for similar properties.

(2) *Insurance Companies and Policies.* All insurance must (a) be written by a company or companies reasonably acceptable to Beneficiary, (b) contain a mortgagee endorsement in favor of Beneficiary, and (c) require 30 days' prior written notice to Beneficiary of cancellation or reduction in coverage.

1.12 Casualty/Loss Restoration

(1) After the occurrence of any casualty to the Trust Property, whether or not covered by insurance, Grantor will give prompt written notice thereof to Beneficiary. Beneficiary may make proof of loss if Grantor fails to do so promptly and to Beneficiary's satisfaction.

(2) Unless Grantor is in default of the loan, insurance proceeds shall be used for restoration of the Trust Property.

1.13 Actions to Protect Trust Property; Reserves

If Grantor fails to pay, perform, or observe any of its covenants hereunder, Beneficiary may, but will not be required to, take any actions it deems appropriate to remedy the failure. All sums, including reasonable attorney fees, so expended, or expended to maintain the lien or estate of this Trust Deed or its priority, or to protect or enforce any of Beneficiary's rights hereunder, will be a lien on the Trust Property, will be secured by this Trust Deed, and will be paid by Grantor on demand, together with interest thereon at the rate provided in the Note. The following notice is provided pursuant to ORS 746.201(1):

WARNING:

Unless Grantor provides Beneficiary with evidence of the insurance coverage required by the Note, Beneficiary may purchase insurance at Grantor's expense to protect Beneficiary's interest. This insurance may, but need not, also protect Grantor's interest. If the Trust Property becomes damaged, the coverage Beneficiary purchases may not pay any claim Grantor makes or any claim made against Grantor. Grantor may later cancel this coverage by providing evidence that Grantor has obtained property coverage elsewhere.

Grantor is responsible for the cost of any insurance purchased by Beneficiary. The cost of this insurance may be added to Grantor's loan balance. If the cost is added to Grantor's loan balance, the interest rate on the underlying loan will apply to this added amount. The effective date of coverage may be the date Grantor's prior coverage lapsed or the date Grantor failed to provide proof of coverage.

The coverage Beneficiary purchases may be considerably more expensive than insurance Grantor can obtain on its own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

ARTICLE II CONDEMNATION

If the Trust Property or any part of it is taken or damaged by reason of any public improvement, eminent domain, condemnation proceeding, or in any other manner (a "Condemnation"), or if Grantor receives any notice or other information regarding such action, Grantor will give immediate notice thereof to Beneficiary. Beneficiary will be entitled to all compensation, awards, and other payments or relief therefor ("Condemnation Proceeds") up to the full amount of the Obligations, and may appear in any Condemnation proceeding in its own or Grantor's name and make any settlement in connection therewith. Notwithstanding the foregoing, unless Grantor is in default of the Loan, the Condemnation Proceeds shall be released to Grantor for restoration of the Trust Property.

ARTICLE III LEASES AND RENTS

Grantor assigns to Beneficiary all leases, rental contracts, and other agreements now or hereafter relating to the Trust Property or any portion of it (the "Leases") and all rents and income derived from them (the "Rents"). Beneficiary will have the right to use and apply any Rents received (1) for any costs and expenses incurred in connection with enforcing this assignment and collecting Rents, (2) for maintaining the Trust Property, and (3) for reducing the Obligations.

ARTICLE IV SECURITY AGREEMENT AND FIXTURE FILING

To secure the Obligations, Grantor hereby grants to Beneficiary a security interest in all fixtures and other personal property comprising the Trust Property. This Trust Deed constitutes a security agreement and fixture filing under the Uniform Commercial Code statutes of the State of Oregon. The mailing address of Grantor and the address of Beneficiary from which information may be obtained are set forth in the cover sheet of this Trust Deed.

ARTICLE V EVENTS OF DEFAULT AND REMEDIES

5.1 Events of Default. Each of the following events will constitute an Event of Default under this Trust Deed and under each of the other Loan Documents:

(1) *Nonpayment.* Grantor's failure to pay any of the Obligations after thirty (30) days' written notice to Grantor.

(2) *Breach of Other Covenants.* Grantor's failure to perform or abide by any other covenant included in the Obligations, including without limitation those covenants in the Note, in this Trust Deed, or in any other Loan Document after thirty (30) days' written notice to Grantor; provided, however, that if such breach requires more than thirty (30) days to cure, Grantor shall not be in default so long as Grantor commences and diligently pursues cure thereof.

(3) *Bankruptcy.* The occurrence of any of the following with respect to Grantor, any guarantor of the Obligations, or the then-owner of the Trust Property: (a) the appointment of a receiver, liquidator, or trustee for any such party or any of its properties, (b) adjudication as a bankrupt or insolvent, (c) the filing of any petition by or against any such party under any state or federal bankruptcy, reorganization, moratorium, or insolvency law, (d) inability to pay debts when due, or (e) any general assignment for the benefit of creditors.

5.2 Remedies in Case of Default. If an Event of Default occurs, Beneficiary or Trustee, as the case may be, may exercise any one or more of the following rights and remedies, in addition to any other remedies that may be available by law, in equity, or otherwise:

(1) *Acceleration.* Beneficiary may declare all or any portion of the Obligations immediately due and payable.

(2) *Rents.* Beneficiary may collect the Rents. Beneficiary will not be deemed to be in possession of the Trust Property solely by reason of exercise of the rights contained in this subsection (2).

(3) *Power of Sale.* Beneficiary may direct Trustee, and Trustee will be empowered, to foreclose this Trust Deed by advertisement and sale under applicable law.

(4) *Foreclosure.* Beneficiary may judicially foreclose this Trust Deed and obtain a judgment foreclosing Grantor's interest in all or any part of the Trust Property.

(5) *Fixtures and Personal Property.* With respect to any fixtures or other property subject to a security interest in favor of Beneficiary, Beneficiary may exercise any and all of the rights and remedies of a secured party under the Uniform Commercial Code.

(6) *Action on Note.* Beneficiary may elect to forgo its rights under this Trust Deed and to bring a legal action to obtain a judgment on the Note.

5.3 Sale. In any sale under this Trust Deed or pursuant to any judgment, the Trust Property, to the extent permitted by law, may be sold as an entirety or in one or more parcels and in any order elected by Beneficiary. The purchaser at any such sale will take title to the Trust Property or the part of it so sold, free and clear of the estate of Grantor, the purchaser being hereby discharged from all liability to see to the application of the purchase money. Any person, including Beneficiary, may purchase at any such sale.

5.4 Cumulative Remedies. Except as provided by applicable law, all remedies under this Trust Deed are cumulative and any election to pursue one remedy will not preclude the exercise of any other remedy. No delay or omission in exercising any right or remedy will impair the full exercise of that or any other right or remedy or constitute a waiver of any Event of Default.

5.5 Application of Proceeds. All proceeds from the exercise of the rights and remedies under this Article V will be applied as follows: (1) to costs of exercising those rights and remedies, (2) to the Obligations, in any order determined by Beneficiary in its sole discretion, and (3) the surplus, if any, will be paid to the clerk of the court in the case of a judicial foreclosure proceeding, otherwise to the person or persons legally entitled to it.

ARTICLE VI

GENERAL PROVISIONS

6.1 Reconveyance by Trustee. At any time on the request of Beneficiary, payment of Trustee's fees, if any, and presentation of this Trust Deed, without affecting the liability of any person for payment of the Obligations, Trustee may reconvey, without warranty, all or any part of the Trust Property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any facts will be conclusive proof of the truthfulness of them.

6.2 Notice. Except as otherwise provided in this Trust Deed, all notices must be in writing and may be delivered by hand, or mailed by first-class certified mail, return receipt requested, postage prepaid, and addressed to the appropriate party at its address set forth at the outset of this Trust Deed. Any party may change its address for receiving notices from time to time by notice to the other parties. Notices given by mail in accordance with this paragraph will be deemed to have been given on the date three (3) days following mailing; notices given by hand will be deemed to have been given when actually received.

6.3 Substitute Trustee. Beneficiary may substitute at any time one or more trustees to execute the trust hereby created, and the new trustee(s) will succeed to all the powers and duties of the prior trustee(s).

6.4 Trust Deed Binding on Successors and Assigns. This Trust Deed is binding on and inures to the benefit of the heirs, legatees, personal representatives, successors, and assigns of Grantor, Trustee, and Beneficiary.

6.5 Expenses and Attorney Fees. If Beneficiary is the prevailing party in any litigation instituted in connection with any of the Obligations, or if Beneficiary initiates any judicial or nonjudicial action, suit, or proceeding in connection with any of the Obligations or the Trust Property (including but not limited to bankruptcy, eminent domain, or probate proceedings), and Beneficiary employs a lawyer to appear in any such proceeding or to seek relief from a judicial or statutory stay, or otherwise to enforce Beneficiary's interests, then Grantor will pay reasonable attorney fees, costs, and expenses incurred by Beneficiary in connection with the above-mentioned events and any appeals. Those amounts will be secured by this Trust Deed and, if not paid on demand, will bear interest at the rate specified in the Note.

6.6 Applicable Law. This Trust Deed will be governed by the laws of the state of Oregon.

6.7 WRITING REQUIRED. UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY LENDERS CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE MAKER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY LENDER TO BE ENFORCEABLE.

6.8 Severability. If any provision of this Trust Deed is held to be invalid, illegal, or unenforceable, the other provisions of this Trust Deed will not be affected.

6.9 Entire Agreement. This Trust Deed contains the entire agreement of the parties with respect to the Trust Property. No prior agreement or promise made by any party to this Trust Deed that is not contained in this Trust Deed will be binding or valid.

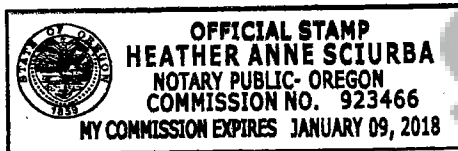
GRANTOR:

LOST RIVER LAND & CATTLE COMPANY, LLC,
a Nevada limited liability company

By: [Signature]
William Honjas, Manager

STATE OF OREGON)
County of Klamath) ss.

The foregoing instrument was acknowledged before me on this 21st day of April, 2014,
by William Honjas as Manager of Investment LOST RIVER LAND & CATTLE COMPANY,
LLC, a Nevada limited liability company, on behalf of said limited liability company.



[Signature]
Notary Public for Oregon
My commission expires: JAN 9 2018

EXHIBIT A
LEGAL DESCRIPTION

PARCEL ONE:

Parcel 1 of Land Partition 29-02, being a replat of Parcel 1 of Minor Land Partition 47-91, situated in Sections 13 and 14, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Excepting therefrom the Westerly 511 feet of Parcel 1 of Land Partition 29-02, situated in Government Lot 9 of Section 14, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL TWO:

The Westerly 511 feet of Parcel 1 of Land Partition 29-02, situated in Government Lot 9 of Section 14, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

4822-2688-1562, v. 1